



Memorandum #1639-08

M E M O R A N D U M

To: All Members and Member Organizations
From: Tom Wittman, President
Subject: Amendments to the Fee Schedule (UPDATE)
Date: September 17, 2008

Pending final approval by the Securities and Exchange Commission, the Exchange will implement the following pricing changes to be effective on October 1, 2008:

1. Member organizations will be assessed a charge of \$250 per month per mnemonic per Order Entry ("OE") port.
2. A surcharge of \$.10 per contract side will be assessed on ROT, Specialist, Broker-Dealer and Firm transactions in the following options: MNX, NDX, RUT and RMN. These proposed surcharges will be in addition to any applicable options transaction and comparison charges, and will not count toward the \$60,000 "FIRM RELATED" Equity Option and Index Option Cap (the "Firm Cap"). Additionally, the section of the Firm Cap that currently defines the treatment of license fees for the purposes of the Firm Cap will be deleted.

The Exchange will not assess Customers an options transaction fee of \$.10 per contract for options on Premium Products¹ as previously announced in PHLX Memo #1599-08. Premium Products, such as SPY, IWM, DIA, XLF and SMH, will remain FREE of Customer transaction fees at NASDAQ OMX PHLX, Inc.

If you have any questions concerning the above fee modifications, I invite you to contact me at 215-496-5631 or Walt Smith, Vice President, at 215-496-5532.

¹ Premium Products include all equity options overlaying securities other than common stock, excluding QQQQ.